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ABSTRACT

Employing a "resource dependency" model from organizational theory, this paper explains the growth of newspaper cooperation out of publisher competition in Chicago (Illinois) journalism during the period 1880 to 1910. It suggests that publisher cooperation in business matters also resulted in a changed news coverage style and emphasis. It argues specifically that cooperation resulted in news coverage that was significantly more information oriented and less sensational over time and that was more concerned with citywide problems than with atypical events affecting individuals. A content analysis of the Chicago "Daily News" is used to illustrate these changes, and a content analysis of the St. Louis "Post-Dispatch," where the publisher spirit of cooperation was much less in evidence, is used to provide comparison and contrast with Chicago journalism during the period studied. The content analyses indicate that the "Daily News" changed significantly in the expected direction between 1880 and 1910, while the "Post-Dispatch" seemed to remain much the same. (Author/FL)

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COMPETITIVE INTERDEPENDENCE & THE NEWS REPORT: THE CHICAGO DAILY NEWS, 1880 to 1910

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Fighting unsuccessfully to renew his Chicago traction company franchise in 1898, Charles T. Yerkes attacked what he called a "newspaper trust" that was arousing public opinion against him.

The transportation magnate was reacting to a decade-long campaign by Chicago newspapers and city reformers that had blocked the usual purchase of aldermanic votes needed to secure such utility franchises. But Yerkes wasn't far off the mark in pointing to the nature of the power of Chicago publishers. Their "spirit of cooperation" was trustlike indeed, and included united policies on advertising commissions, labor relations, newspaper sizes, edition release times and prices.

This exploratory research paper employs a "resource dependency" model from organization theory to help explain the growth of publisher cooperation out of newspaper competition. The model predicts that under certain conditions cooperative efforts follow from a need to manage competition endangering access to vital resources. I suggest that publisher cooperation in business matters also resulted in a changed news coverage style and emphasis that went beyond particular reform and editorial campaigns. Specifically, I will argue that this cooperation laid the basis for news coverage that was significantly more information oriented and less sensational over time, and more concerned with citywide problems and issues rather than atypical events affecting individuals.

The Chicago Daily News, begun in 1876 as the city's first penny paper, will be used to test and illustrate this transformation. The Daily News was chosen because the paper established itself in a crowded competitive field through aggressive promotion and sensationalism, and concise news and human interest stories. In four years, the paper succeeded in becoming the city's circulation leader.

But the Daily News also led the gradual evolution of Chicago dailies toward a more cooperative rather than competitive way to insure survival. Publisher Victor Lawson was an innovator in building circulation and advertising. Yet he led the cooperative movement among publishers, and was a power in the urban reform movement as well. Several aspects of his business practice and

pol..tical involvement will be explored.

Results of a content analysis of Daily News issues selected from 1880 and 1910 will be compared with findings from the Post-Dispatch in St. Louis, where any publisher spirit of cooperation -- at least in urban reform matters -- was much less in evidence.[1] The year 1880 was selected for content analysis because the Daily News had by then become the city's circulation leader. The Post-Dispatch, founded in 1878 by Joseph Pulitzer, was also the journalistic upstart fighting successfully to make a place for itself. The year 1910 was chosen to get distance from the great utility reform fights in both cities during the 1890s. Any content changes in the columns of the two dailies were therefore expected to reflect routine news coverage rather than special editorial campaigns. The content analysis for 1910 did not turn up any special campaigns or crusades during the weeks studied.

In several important respects, the modern newsgathering organization emerged from new competitive necessities that publishers had to learn to cope with during those years. After 1880, advertising revenue equalled and then far outstripped revenue from readers.[2] Meanwhile, the number of daily newspapers competing for circulation and advertising was growing from about 850 in 1880 to about 2,200 in 1910.[3]

Growth in dependence on advertising, and newspaper competition for circulation needed to obtain that advertising, in some measure affected the way most news organizations functioned. Edwin Emery points to the rise of sensationalism and yellow journalism during this period as publishers such as Pulitzer and Hearst sought to achieve maximum circulation.[4]

Advertising dependence, and increasingly labor relations as well, were also the motive power behind cooperative efforts by publishers in Chicago and throughout the nation. Organization theorists Jeffrey Pfeffer and Gerald Salancik interpret cooperative moves by businesses as attempts to reduce competitive uncertainty over access to vital resources.[5] They contend that the primary goal of any

organization is not production of goods or services, but access to resources needed for survival. Cooperation among publishers may have been an alternative to competitive sensationalism as a technique for securing the vital resources of advertising and circulation.

But the type of cooperative action that can effectively reduce uncertainties over resource acquisition depends on the level of concentration in an industry, according to Pfeffer and Salancik.[6] Mergers, for example, are most likely in industries of intermediate concentration, when there are enough large organizations to have major impact on one another's outcomes, but too many to coordinate tacitly. In the late 19th century, the newspaper industry was too unconcentrated for widespread merger as a solution to the uncertainties of competitive interdependence. In fact, the industry was still growing at a tremendous rate, as readership even exceeded population growth.[7] Further, as Emery notes in his history of the American Newspaper Publishers Association, the community character of the publishing industry inhibited the formation of trusts or giant corporations on the nationwide scale exhibited by such industries as steel, railroads or oil.[8] This observation is consistent with Pfeffer and Salancik's empirical findings that intermediate concentration best predicts merger activity or joint ventures. In industries characterized by great numbers of competitors -- such as the news industry at the turn of the century -- Pfeffer and Salancik suggest that voluntary association is the only effective means for attempting coordination.[9]

Nationally, the ANPA set the agenda for publisher business cooperation at its founding in 1887. Their early meetings concerned advertising agent commissions, labor troubles and anxieties over newsprint supply and tariffs.[10] The first two problems were pressing. Newspapers had become dependent upon advertising for their survival. But advertising agents easily played the competing dailies off against one another to their collective disadvantage.[11] The American Federation of Labor, organized in 1886, was perceived as a potent threat by publishers

instrumental in forming the ANPA a year later.[12]

Chicago publishers formed their own local association in response to nearly identical concerns. But in Chicago, publisher cooperation extended beyond business matters to joint reform campaigns and even establishment of a local news bureau to cover night police activity for all the dailies.

In Chicago, Lawson quickly rationalized advertising practices at the Daily News, according to Charles Dennis, one of the organization's top editors. Lawson established common rules for advertisers that he refused to alter.[13] He established fixed advertising rates that he refused to negotiate. And most astonishing to advertisers and competing dailies both, according to Dennis, Lawson insisted on an honesty in his own circulation claims that he refused to compromise to obtain business.

Donald Abramoske, author of an unpublished business history of the Daily News, quotes a number of passages from Lawson's correspondence indicating a preoccupation with establishing common business practices among the dailies that would make unnecessary most expenses associated with newspaper competition.[14] Perhaps even before establishment of the ANPA, Chicago publishers had made agreements on advertising commissions to be paid to agents, and had set limits to the self-promotional campaigns of the dailies themselves.[15]

Abramoske emphasizes a changing pattern of newspaper competition in Chicago between 1888 and 1898. He describes this new pattern as "intense competition tempered by cooperation" as journalism itself became a big corporate interest.[16] Abramoske attributes this change to the ending of partisan political commitments by newspapers, and to the ending of publisher editorial attacks on one another. In essence, the press had become too big to be kept by political factions. And publishers were becoming more conscious of their common corporate interests. Political independence and corporate consciousness laid the basis for publisher cooperation to reduce costs, eliminate fruitless and expensive methods of competition, and unite on questions of industry importance, according to Abramoske.

That unity could be impressive. In 1898, for example, the Chicago publishers united against stereotypers who struck at the height of the Spanish American War, when the public would have bought all the papers printed. Whatever the temptations, the publishers did not break ranks. Dennis quotes a passage from Lawson's correspondence indicating that Lawson even supervised the joint printing of a special edition of all the dailies on one day during the strike.[17] The breaking of the stereotypers' union was quickly followed by agreements among the publishers to increase the size and price of the papers, and establish a joint delivery system.

As early as 1890, the publishers had established the City Press Association to reduce the costs of local newsgathering.[18] The association hired reporters to cover police activities, sermons, conventions, marine news and hotels, instead of having each daily use its own reporters and thus duplicate efforts.[19] Abramoske stresses, however, that the association was seen by the publishers to be limited to "routine local news." Abramoske also notes, however, that critics began charging that all the Chicago papers were becoming monotonously alike. But he concludes that publisher cooperation in this and in other business matters did not "seriously hamper the important work of their enterprising editors."[20]

The present study does not examine the full editorial extent of publisher cooperation in Chicago, and Abramoske's contention will be neither supported nor refuted. A full study would have to concentrate on all the newspapers in Chicago to discern if the various news agendas of the newspapers exhibited convergence over time.

This study does use two gross measures of content -- citywide versus noncitywide, or "local" orientation, and information versus "story" report model -- in comparing the Daily News and Post-Dispatch in their competitive environments in 1880 and 1910. It is important to note that Daily News editor Melville Stone and Post-Dispatch owner Joseph Pulitzer, both known for their sensational approach to news, had left their cities in the mid 1880s. Major differences in the balance of information

and sensation-oriented coverage of the two newspapers by 1910 could therefore reflect differences in the competitive situation -- rather than editorial leaderships -- the newspapers experienced in the two cities.

It is also assumed that as newspaper resources increased, the dailies could devote more attention to the problems of the city as a whole and to proposals for solutions to those problems. Stories focusing on citywide concerns could increase as resources increased. And market stability should certainly promote the increase of those resources, resources the publishers could use to help accomplish goals other than business survival. Abramoske notes that the Daily News during the 1880s added extensive feature materials, special columnists, sports extras and an entire additional staff for a morning edition to the paper.[21]

Michael Schudson has provided information and story model concepts for news reports that are used in this study. Schudson suggests that such report models, which developed in the late 19th century, were newspaper reflections of dominant social classes in society.[22] Information model reports are tailored to the needs of a middle class which can actually use the information for political or social purposes, while story model reports have an emotional component that makes them satisfying in themselves and appealing to the more unsophisticated readers of lower education and status.[23] It is assumed that story model type reports are useful devices for publishers interested in building circulations, and especially appealing to readers in areas of heavy foreign immigration.

Twelve days from each year for each newspaper were examined in the content analysis.* Only stories dealing with city news were analyzed. Each story was coded as having either a citywide or a "local" emphasis, depending on whether the story's content generalized to the city as a whole or merely referred to one part of the city. Stories were also classified as citywide or local depending on whether actors were referred to in civic or private capacities.

* See the Note on the Content Analysis at the back of this paper.

Information model stories were operationalized as reports that concisely and impersonally summarized the gist of events in the first few paragraphs. Story model reports were considered to be those articles that started chronologically and built up to some sort of climax. If a story's classification was not immediately obvious, a judgment was made on the basis of its sense as a whole.

The two content dimensions of geographic emphasis and report model produced a fourfold classification scheme used for the story comparisons between the Daily News and Post Dispatch. These classifications are: Information-Citywide reports; Information-Local reports; Story-Citywide reports; and Story-Local reports.

My first expectation was that the Daily News began its Chicago career stressing story model reports that would appeal to the relatively unsophisticated readers attracted to a penny paper. A local emphasis in 1880 coverage was expected to reflect the paper's limited resources as it struggled to become established.

My second expectation was that as the Daily News grew, and as the need for vigorous competition among Chicago dailies lessened because of publisher cooperation, more information model and citywide oriented reports would appear. Once survival needs had been fulfilled, the publishers could put other concerns on the agenda.

It should be noted that according to Schudson, information model stories appeal basically to an established middle class and to those seeking to emulate that class. During the period under discussion, Chicago grew from about 500,000 persons to more than 2 million, mainly through East European immigration.[24] My assumption then was that any changeover from story model report emphasis to information model report emphasis would make a case for the influence of changes in competitive factors, rather than the cultural ones stressed by Schudson. It was further assumed that the Post-Dispatch would exhibit less variation than the Daily News across time on the classification scheme. This is expected to reflect less cooperation and greater competition among publishers in that city.

However, it should also be noted that St. Louis grew much more slowly than Chicago, from 350,000 in 1880 to 690,000 in 1910. The foreign born proportion of the city's population was much smaller and more stable than Chicago's across the years studied.[25] Thus, there would also be less "culture pressure" on St. Louis newspapers to change to meet changing needs and demands in the urban audience.

The content analysis indicates that both the Daily News and Post-Dispatch were strikingly similar in 1880 in the distribution of stories among the four classifications. About 26 percent of the 132 Post-Dispatch stories and 28 percent of the 63 Daily News stories could be classified as Information-Citywide, while 17 percent of the Post-Dispatch stories and 19 percent of Daily News stories were considered as Story Local. It should be emphasized, however, that more than 70 percent of the stories in both papers were of information model types, contrary to my original expectations.

By 1910, however, Daily News content had undergone large shifts in the expected direction among classification categories, while Post-Dispatch proportions remained much the same. In 1910, 56 percent of 186 Daily News stories were in the Information-Citywide category ($p < .0002$) while Story-Local reports declined to 6 percent ($p < .003$). For the Post-Dispatch, the Information-Citywide proportion increased to 32 percent by 1910 ($p < .30$), while Story-Local reports also showed an increase to 24 percent ($p < .17$). The differences between Information-Citywide and Story-Local proportions between the two papers in 1910 were both statistically significant at the .0001 level.

The Daily News also increased tremendously in physical size over the time period studied, with the number of city reports tripling. A much smaller increase was found in the number of Post-Dispatch city reports.

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Illustrative of the shift in Daily News copy from story to information model reports between 1880 and 1910 is the decreased emphasis on violent and personal crime stories. Such stories were usually related in detective story chronological form in 1880. The lead of a March 2, Page One story headlined "A Hard Fight" began, "About 10:30 o'clock last night the attention of Detective Crane of the Cottage Grove station was attracted to the sound of breaking glass coming from the direction of State and 27th Streets." In 1910, a typical crime story might have a headline such as the one appearing in the March 4 issue on Page One: "Coleman a Witness in City Graft Probe." The crime story in this case has a civic, collective emphasis. Information, not entertainment and suspense, is the object.

The story model approach was not absent from 1910 issues. But even so, the orientation of such stories had become more general rather than individual in scope and topic. One passage in a March 1 story on civil service job applicants made a comment on unemployed immigrants generally by telling the stories of a few such individuals applying for some available jobs. But the reporter was also involved in his story, noting that a "world of sadness lurked in the back of deep set eyes" of one applicant, whom everybody knew "needed the job."

In both 1880 and 1910, many of the Information-Local reports concerned similar interesting and tragic events in urban life: crime, divorce, accident and death. But the proportion of such stories showed a big decrease between 1880 and 1910. Politics, strikes, corruption, education and how tax revenues were being spent made up a large part of the offerings in the 1910 Information-Citywide reports. The range of such topics was certainly broader than in 1880, but the biggest difference between the two years was the sheer increase in the numbers of such stories.

The content analysis indicates significant differences in report style and city emphasis of the Daily News and Post-Dispatch over the 30-year period.

Even though both papers were heavily information model oriented in 1880, the Daily News became significantly more so by 1910 ($p.<.003$) while the Post-Dispatch remained much the same. The two papers were very similar in report model type and geographic orientation in 1880. By 1910 they were very different.

Chicago itself changed tremendously during those years. The population increased fourfold, and consequent problems gave rise to a new urban reform movement. That movement demonstrated its potency against urban corruption. The city's newspaper publishers showed remarkable unity in supporting the reform fight and in attending to their own business interests.

With so much happening in Chicago, it is difficult to determine what caused the change in Daily News editorial style. No one factor alone could probably account for the presence or absence of such change. All probably played a part. The inference that the cooperative spirit among Chicago publishers laid the ground for changes in the style and focus of news coverage generally therefore cannot be supported conclusively in this paper. It is possible, for instance, that decreasing business competition changed business conditions without affecting editorial initiative or competition, as Abramoske suggests. And editorial change could have causes in factors other than competitive business conditions, such as technology, newsroom professionalism, managerial turnover, or simply different audience demands.

A political explanation for the content change in the Daily News and other Chicago newspapers during that period is also persuasive. David Nord, in an unpublished study of the relationship between urban reform and metropolitan dailies in the 1890s, suggests that a new political style emerged during that period. He found that Chicago newspapers served to help unite, inform and mobilize a broad-based coalition movement of reformers interested in public rather than private solutions to new urban problems resulting from growth.[26] The urban dailies had a natural interest and concern over problems affecting the environment,

according to Nord.[27] Lawson and other Chicago publishers were deeply interested and involved in the new reform movement, making their columns available for publicity campaigns, lending reporters for investigations, and contributing money and editorial support.[28] City utility issues took tremendous space in the dailies in the 1890s as efforts were mobilized to defeat traction company franchise extension. During this campaign, the newspapers "became closely linked to the reform movement and closely allied with each other in reform politics," according to Nord.[29] In his parallel study of the reform movement in St. Louis, however, Nord found reform opponents entrenched in some of the dailies, and the reform movement itself much more narrowly based than in Chicago.[30]

Nord's analysis of the success of the reform movement in Chicago can also explain changes in the Daily News between 1880 and 1910, as urban issues increased in salience for both news reporters and citizens. But this explanation does not rule out an organization theory perspective on the process. Political and business cooperation among the dailies could have proceeded together and reinforced one another. It is even possible that the experience of business cooperation among Chicago publishers during the early part of the reform period was necessary for their cooperation in subsequent urban reform politics.

Certainly more attention to the competitive context of the newspapers in Chicago and elsewhere during this period is needed to understand fully the influences on changes in the reporting patterns of newspapers. Reporters and editors do, after all, work under the constraints and injunctions established by news organizations. And those organizations themselves function under resource constraints in the environment. How news organizations react to manage competitive uncertainty over access to resources in that environment can help account for some of the differences and similarities in news coverage among newspapers.

Historical studies that attempt to fully explore the organizational context

of the news report will not be easy. Isolating the many influences affecting the news report will be one problem. Getting at the anxieties and hopes of long-dead publishers is another. But publishers are an important key to such studies, because they stand at the boundary between the environment and the news organization.

James Carey has reminded journalism historians that the newspaper report is an industrial art as well as a journalistic one. Attention to the organizational and environmental context of that report is needed to discern the nature of that industrial art.

Notes

1. David Paul Nord, "Newspapers and New Politics: Municipal Reform in Chicago and St. Louis" (unpublished Ph.D. dissertation, University of Wisconsin-Madison, 1979) p. 54. See especially chapters 4, 5, and 6 for a discussion of the similarities and differences of reform and newspapers in Chicago and St. Louis, including the Chicago campaign against Yerkes.

It is important to note that Nord focused on political rather than business cooperation among publishers. While he turned up no evidence of publisher business cooperation in St. Louis similar to that in Chicago, that cooperation might still have existed. Publishers are known to keep their secrets. Nord does report that he found no evidence of such cooperation in the course of researching his dissertation. However, he adds that he did not have access to the private papers of St. Louis publishers that might have been in the possession of heirs.

2. Edwin Emery, History of the American Newspaper Publishers Association (Minneapolis: University of Minnesota Press, 1950) p. 29.

3. Edwin Emery and Michael Emery, The Press and America: An Interpretative History of the Mass Media (4th ed.; Englewood Cliffs, N.J.: Prentice-Hall, Inc.) p. 430.

4. Ibid., p. 243-4.

5. Jeffrey Pfeffer and Gerald R. Salancik, The External Control of Organizations: A Resource Dependence Perspective (New York: Harper & Row, 1978) p. 123.

6. Ibid., p. 125.

7. Emery and Emery, The Press and America, p. 201

8. Emery, History of the American Newspaper Publishers Association, p. 6.

9. Pfeffer and Salancik, The External Control of Organizations, p. 177-9.

10. Emery, History of the American Newspaper Publishers Association, p. 30.

11. Ibid., p. 22.

12. Ibid., p. 24.

13. Charles H. Dennis, Victor Lawson: His Time and His Work (Chicago: University of Chicago Press, 1935.) p. 32-5.

14. Donald J. Abramoske, "The Chicago Daily News: A Business History" (unpublished Ph.D. dissertation, University of Chicago, 1963) p. 112-7.

15. Ibid., p. 130.

16. Ibid., p. 120.

17. Dennis, Victor Lawson, p. 398-9.

18. Abramoske, "The Chicago Daily News," p. 123.

19. Ibid., p. 126-7.

20. Ibid., p. 161.

Notes (continued)

21. Ibid., p. 57-71.

22. Michael Schudson, Discovering the News: A Social History of American Newspapers (New York: Basic Books, 1978) p. 5.

23. Ibid., p. 88-91.

24. U.S. Dept. of Commerce, Bureau of the Census, Thirteenth Census of the United States Taken in the Year 1910: Population, Vol 1, "General Report and Analysis," p. 854-5.

25. Ibid., p. 854-5.

26. Nord, "Newspapers and New Politics," p. 12.

27. Ibid., p. 37.

28. Ibid., p. 109. 133.

29. Ibid., p. 134.

30. Ibid., p. 127.

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